

HUMAN RESOURCE MANAGEMNET PRACTICE AND
PROBLEMS

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ABSTRACT

This study attempts to examine the current HRM practice and problems of commercial bank of Ethiopia. The study has attempted to address research question/ problems mentioned in statement of the problem and objectives of the study. Both primary and secondary data would be used to conduct this research. Good deals of textual concepts on the relevant topics were consulted, analyzed and interpreted using some statistical technique such as tabulation and percentage. Based on the analyzed and interpretation conclusion were made. Finally recommendations, which could solve the problem identified, were stated accordingly.

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ACRONYMY

HRM=Human Resource Management

CBE= Commercial Bank of Ethiopia

HR= Human Resource

P/HRM= Personnel / Human Resource Management

CHAPTER ONE

INTRODUCTION

Human resource management is the functions performed in organizations that facilitate the most effective use of employees to achieve organizational and individual goals. There things should be sternest about HRM at the outset.

- It is action oriented: effective HRM focuses on activities rather than on record- keeping, written procedure, as rules eaten HRMuses rules, records, and policies, but it strings action. HRM players the solution of employment problems to help to achieve organizational objectives and facilitate employee development and satisfaction.
- It is individually oriented: whenever possible HRM to each employee as an individual and offer services and programs to meet the individual needs.
- It is future Oriented: effective HRM is concerned with helping an organization to achieve its objectives in the future by providing for competent, well- motivated employers (William F.Glueck p: 7).

Organizations are the most inventive social arrangements of our age of civilization. People are the common elements in every organization. They create the strategies and innovation. For which organization are created. This means, it is people who create the strategies that produce a nations valued products and services (William B. whether and David, 1993, p: 6)

As it can be understand from the above definitions, most of the author has rated that human resource management is the base of all activities in relation to management of people.

1.1 BACK GROUND OF THE STUDY

The history of HRM can be traced to England, when masons, carpenters, leather workers, and other crafts people organized themselves in to guilds. They used their unity to improve their work condition. The field further developed with the arrival of the industrial revolution in the latter part of the 18th century, which laid the basis of a new and complex industrial society. (Ivancevich)

The renowned father of scientific management Frederick W. Taylor was contributing very important of study to HRM. He studied worker efficiency and attempted to discover the “one best way” and the one fastest way to do a job. The other is the drastic changes in technology, the growth of organization, the rise of unions, and government concern and intervention concerning working people resulted in the development of personal department in 1920’s (Ivancevich)

The HRM function today is concerned with much more than simple filling, housekeeping, and record keeping. When HRM strategies are integrated within the organization, HRM plays major role in clarifying the firms human resource problem and solution to them. It is oriented toward action, the individual, worldwide interdependency and the future.

Today organization can only improve productivity by integrating human resource with other activities and imputes. In fact, some problem are create like socio- economic, political, institutional and other related factors have adverse effect on the proper function of human resource in the organization. Thus, acquiring advance technology without qualified HR is like driving a new brand car without level and the necessary driving license.

Therefore based on the above cases, the researcher tries to understatement the study on HRM practice and problems of commercial bank of Ethiopia on Jimma main branch.

1.2 BACK GROUND OF THE ORGANIZATION

After the victory of fascist Italy, the state bank of Ethiopia was established by a proclamation issued in August 1942. Although the intention was to establish it as full commercial bank, year later, in 1943, it was given additional central banking duties and became fully operational hence, the year is marked as the birthdates of today's commercial bank of Ethiopia (CBE), thus, the state bank of Ethiopia provide central banking and commercial banking functions until 1963 with the issuance of the monetary proclamation in 1963, the national bank of Ethiopia and the CBE were established to handle commercial banking and national banking functions respectively.

. In 1963 CBE was legally established as a share company to take over the commercial banking activities of the state bank of Ethiopia and to carry on all types of banking business and operations. Following the event of a socialist regime in the country in 1974, the commercial bank of Ethiopia was merged with Addis Ababa bank, which was a private bank, and nationalized in line with the socialist form this had on added strength to CBE, through the general policy environment had not been supportive of commercial banking operations. During the command system that lasted for about 17 years, CBE had been the sole commercial bank in Ethiopia and more instrument of the central planning and socialist ownership policy of the government.

After the country shift from a command economy to market-oriented economy due to a policy redirection, a new banking proclamation enacted in 1994 created several new opportunities for a private sector to be involved in the banking sector.

CBE has several branches throughout the country among them Jimma main branch which is located in Jimma can be mentioned. This branch comprising to employees to give a remarkable service to the society to overcome the problem of financial institution around Jimma zone.

Therefore based on the above cases, the researcher tries to undertake the

Study on HRM practice and problem of commercial bank of Ethiopia Jimma main branch.

1.3 STATEMENT OF THE PROBLEM

Human resources activities play a major role in ensuring that any organization will survive and prosper. It is a primary source than any other resources like financial, material, etc. Nothing can be done without participation of human resources. The quality of its services heavily depends on the quality of human resources.

Managers should give more intension to HRM because it significantly affects the organization. The success or failure of any organization is highly dependent up on how it efficiently and effectively utilizes the existing resources.

A number of organizations face the problem of having well qualified staff and providing regular training to their staff. So, this paper tries to investigate problems of HRM in commercial bank of Ethiopia. Finally, the study tries to explore possible solutions to overcome problems identified and to promote the existing human resource practice.

In, general, this study tries to answer the following basic questions which can considered as a research guide for the study.

- How is recruiting and selection process are done
- How promotion and transfer are carried out?
- Is there any appropriate orientation for the newly employed staff members?
- What methods are employed to evaluate performance of individual members?
- What the problem related to human resource activity?

1.4 OBJECTIVE OF THE STUDY

The main objective of the study is to make general assessment on HRM practice and problems of commercial bank of Ethiopia Jimma main branch.

1.4.1 Specific Objective

- To recommend possible solution for the problem
- to assess how the requirement and selection process are done?

- To identify how promotion and transfer are carried out?
- To identify problem concerning HRM practice.
- To assess what method of employee to evaluate performance of individual member.

1.5 SIGNIFICANCE OF THE STUDY

The study would give the following benefit

- The problem that was identified in the study would help the organization to see the problems that affect employee's morale. As a result, the organization should give due consideration to the employee in order to improving the rule of efficiency.
- When we see the importance of the study to the community or society, If the problem of the organization (CBE) is solved then indirectly the problem of the society are solved because the organization is the agent of the society
- For the researcher it is help full in that it out lines your thinking about what you would be investigating and for the sake of getting bachelor degree.
- The researcher was also hope that the finding of this study would support the other researcher who is interested to conduct further study in the area.

1.6 DELIMITATION OF THE STUDY

The study focus on HRM practice and problems and it confined only to CBE Jimma main branch. On the other hand CBE has many branch at the national level conducting the study at the overall branches requires large amount of money and time and beyond the researcher capacity. Therefore, the researcher focused on the investigation on one of the branches that located in Jimma.

1.7 LIMITATION OF THE STUDY

Identifying and investigating all the HRM practice and problems requires extensive research. Therefore it is impossible to perform deep research work on the issue.

Lack sufficient information, unwillingness of the bank manager.

CHAPTER TWO

2. LITERATURE REVIEW

2.1 INTRODUCTION

People; human resource making organization more aware of human resource; being in the people business these words and thoughts are common in our modern society.

Human resource management is the management of an organizational work force of human resource. It is responsible for the attraction, selection, training assessment and rewarding of employees while also overseeing organizational leadership and culture and ensuring compliance with employment and labor law (Wikipedia, the Free encyclopedia)

Human resource management is now expected to add value to the strategic utilization of employees and that employee programs impact the business in measurable ways. (HR.about. Com)

HRM is also a strategic and comprehensive approach to managing people and the work place culture and environment (www.siliconindia.com)

2.2 HUMAN RESOURCE MANAGEMENT ACTIVITY

Human resource management encompasses those activity designed to provide for and coordinate the human resource of an organization. The human resource of an organization represents one of its largest investments. (Lloyd L.byars and Leslie W. Rue 1997).

Today it would be difficult to imagine any organization activity and sustaining effectiveness without efficiency human resource management program and activity (Ivancevich 1998)

The following are some of the activity of the HRM that included in this proposal

- ✓ Recruitment
- ✓ Selection
- ✓ Orientation
- ✓ Performance appraisal
- ✓ Training
- ✓ Compensation

2.2.1 Recruitment

Recruitment refers to organizational activity that influences the number of and type of applicants who apply for a job and whether applicants accept jobs that are offered. Thus, recruitment is directly related to both human resource planning and selection (Ivancevich, 1998).

Recruitment is the phase which immediately precedes selection. Its purpose is to pave the way for the selection procedures by producing, ideally, the smallest number of candidates who appear to be capable either of performing the required task of the job from the outset or of developing the ability to do so within a period of time acceptable to the employing organization. The main point that needs to be made about the recruitment task is that the employing organization should not waste time and money examining the credentials of people whose qualifications do not match the requirements of the job (Shaun Tyson & Alfred York, 1997, 3rd edition).

2.2.2 Methods of Recruiting

Once an organization has decided it needs additional or replacement employees, it is faced with the decision of how to generate the necessary applications. The organization can look to sources internal to the company and if necessary, to sources external to the company.

A. Internal Recruiting

Job posting organization can make effective use of skills inventories for identifying internal applicant for job vacancies. In the past, job posting was little more than the use of bulletin boards and company publication for advertising job openings. Today, however, job posting as became one of the more innovative recruiting techniques being used by organization. Many companies now see job posting as an integrated component of an effective career management system. Job posting is a lasting of job opening that includes job specification, appearing on a bulletin board or in company publications.

Before going outside to recruit, many organizations ask present employees to encourage friends or relatives to apply some organizations even offer “finder’s Fees” in the form of monetary incentive for a successful referral. When used wisely, referral of this kind can be a powerful recruiting technique. Organization must be careful, however, not to accidentally violate equal employment laws while they are using employee referrals (Ivancevich, , 7th ed).

B.External recruiting

When an organization has exhausted its internal supply of applications, it must turn to external sources to supplement its work force.

A number of methods are available for external recruiting. Various media are used, the most common being help- wanted advertisement in daily newspaper. Organization also advertisesfor people in trade and professional publications, other media used are billboards, subway and bus cards, radio, telephone and television (Ivancevich, 7th ed).

The other external recruiting method is college recruiting. College recruiting process is similar in some ways to other recruiting. However, in college recruiting, the organization sends an employee, usually called recruiter, to a campus to interview candidates and describes the organization to them. Conceding with the visit, brochures and other literature about the organization are often distributed (Ivancvich,)

2.2.3 Factors Governing Recruitment

Given its key role and external visibility, recruitment is naturally subjected to influence of several factors. This includes external or well as internal factors.

I. External Factors

a) Supply and demand of specific skill in the labor market

If the demand for a particular skill is high in relative to supply, an extraordinary recruiting effort may be needed. For instance, the demand for programmer and financial analysis is likely to be high than their supply or opposed to the demand for non-technical employees.

b) Unemployment rate

When unemployment rate in given area is high, the company recruitment process may be simpler. On the other hand, as unemployment rate drops, recruiting effort must be increased and new sources explored.

c) Political and legal consideration

Reservation of jobs for minorities, physically handicapped, children on socially and politically oppressed and other back word class (OBCS) is a political decision.

d) Sons of soil

Political leaders clamor theta preference must be given to people of their respective states in matters of employment.

e) Company's image /organizational over all reputation/

It is the perception of the job Seeker about the company that matter in attracting qualified prospective employees.

f) Location of the organization

II. Internal factors

a) Recruiting policy of the organization

Most organizations have a policy of recruiting internally (from own employees) or externally. Another related policy is having temporary and part time employees. An organization hiring temporary and part time employees is in a labor advantageous position in attracting sufficient applicants.

b) Quality of HRP

-effective HRP greatly facilitate the recruiting effort.

c) Cost of recruiting

Recruiters must operate within budgets. Careful HRP & forethought by rec) Growth and expansion recruiters can minimize recruitment cost (class Handout)

2.2.4 Selection

Selection is the process by which an organization chooses from a list of applicants the person or persons who best meet the selection criteria for the position available, considering current environmental condition. Although this definition emphasize the effectiveness of selection, decision about whom to hire must also be made efficiently and within the boundaries set for the equal employment opportunities legislation. Thus, there are actual multiple goals associated with an organization selection or process (Ivancevich, 2nd edition, 1998)

In another way selection is the process of choosing the individual who can successfully perform the job from the pool of qualified candidates, job analyses, HRP and recruitment are necessary prerequisites to the selection process, (Lloyd L. Byars and Leslie W. Rue, Fifth edition 1997)

Selection Criteria

If a selection program is to be successful, the employee characteristics believed necessary for effective performance on the job should be stated explicitly in the job specification. The criteria usually can be summarized in several categories, education, experience, physical characteristics, basically, the selection criteria should list the characteristics of present employees who have performed well in the position to be filled (Glueck).

Reliability and validity of selection criteria

The main purpose of selection is to make decisions about individuals. One attempt to predict, which candidate will be successful is to give applicants tests or stimulations; if these selection tools are to be useful they must be dependable or reliable.

In addition to having reliable selection decisions information it is important, legally and organizationally, have to valued information. Validity refers to the extent to which score or measure is accurate predictor of success (Stredick, 2000).

2.2.5 Orientation

Orientation is the HRM activity that introduces new employees to the organization and to the employees' new task, managers, and work groups. Any orientation is designed to make the person more comfortable, knowledgeable and ready to work within the firm culture, structure and employee mix. Thus, examining the background of the employees is important in designing the proper type of orientation program. (Ivancevich, 2nd edition 1998)

According to L. Byars and Leslie W. Rue orientation is the introduction of new employees to the organization, their work units, and their job. Employees receive orientation from their co-workers is usually unplanned and unofficial, and it often provides the new employees with misleading

and inaccurate information. This is one of the reason the official orientation provided by the organization is so important.

An effective orientation program has immediate and lasting impute on the new employee and can make the difference b/n his or her success of failure. (lloyd L.byars and Leslie W.Rue, 1997, fifth edition)

The Purpose of Orientation

Effectively done, orientation serves a number of purposes. In general, the orientation process is similar to what sociologist call socialization, socialization occurs when a new employee learn the norms, values, work procedure, and patterns of behavior.

To Reduce Turnover

Over half of new hires may leave their jobs within the first six months in some organizations if the orientation is not proper. Some other benefit of better orientation include the following

- Stronger loyalty to the organization
- Creator commitment to the organization value and goals
- Lower absenteeism
- Higher job satisfaction
- enhance interpersonal skills
- To create initial allocable improving (Ivancevich and glueck 2000).

Once an organization successfully recruiting, selects, and orientation employees, the next step is placement. The allocation of people to job is placement is the assignment of an employee to a new different job. It includes the initial assignment of new employee and the promotion, transfer, or demotion of present employees (William and davis, 1989).

2.2.6. Performance Appraisal

Performance appraisal isthe HRM activity that is used to determine the extent to which an employee is performing the job effectively. In many organizations two appraisal systems exist side by side. The formal and informal supervisors often think about how well employees are doing, this is

the informal system. It is influenced by political and interpersonal processes so that employee who are liked better than others have an eye by contrast, a formal performance appraisal is a system set up by the organization to regularly and systematically evaluate employees performance. (Ivancevich)

According to Lloyd L. Byers and Leslie W. Rue. Performance appraisal is the process of determining and communicating to an employee how he or she is performing on the job and ideally establish a plan of improvement. When properly conducted, performance. Appraisal not only determine employees know how well they are performing but also influence their future level of effort and task direction one of the most common uses of performance. Appraisal is for making administrative decision relating to promotion, firings, Layoffs and merit pay, increase.

Performance management systems are attempts to monitor, measure report, improve and reward employee performance. Performance appraisal is the procedure of evaluating how well employees do their jobs compared with a set of standards and communicating that information to those employee evaluation, performance review, performance evaluation and result appraisal. In general terms, performance appraiser how two roles in organization, and these roles often reseed as potentially conflicting.

1. One role sis measure performance for the purpose of rewarding or otherwise making administrative derision about employees.
2. Another role is development if individual potential. In this have the manger is featured as a counselor than a judge, and the atmosphere is often different. (Balkin and cardy, 1995,).

Almost all organization practice performance appraisal in one form or the other to achieve one or more objectives. Their objectives may vary from organization to organization and also in the same organization form time to time. Patz (1975) he conclude the following two objectives of appraisal.

1st performance appraisal was considered as development technique in the hands of manager, aimed at calling attention to a sub ordinates behavior flows in order to improve his administrative ability.

2nd Performance appraisal was viewed as a necessary which be for assigning management potential.

Pats further void that the implicit purpose was to force along line or unwilling bosses to face up to difficult task of relating employee behavior or actual results”

2.3 TRAINING AND DEVELOPMENT

Training is, in short, an attempt to improve current or future performance. The following specific points are important to know about training.

- ⇒ Training is the systematic process of altering the behavior of employee in direction that will achieve organization goals.
- ⇒ Training is related to present job skills and abilities
- ⇒ A formal training program is an effort by the employer to provide opportunities for the employee to acquire job –related skills, attitudes and knowledge (Ivancevich, 2nd edition 1998)

Helping employees to become effective in their job is one of the fundamental important tasks in personal management that any work organization has to undertake. Employers depend on the quality of their employee’s performance to achieve organizational aims and objectives; employees have motivational needs for development, recognition, status, achievement etc that can and should be met through job satisfaction. Training aims to achieve short-term specific organizational objectives (Shaun Tyson and Alfred York, 3rd edition, 1997)

Training is always a mean to an end and not ends in itself. Training is formal and informal instruction designed to improve the individual, performance at work, so that he or she can achieve his or her performance standards. Training needs any derive from appraisal reports or be assessed on all new entrants to the posting question (Shaun Tyson and Alfred York . 3rd edition, 1997) According to (Saiyadain, 1995,) the objective of training differ according to the employees belonging to different levels of organization. The basic objective of training, however is designed to improve knowledge, skills and altitude, and thus equip the individual to be more

effective in his recent job or prepare him for a future assignment however, individual shown should not be taken as an end. From the point of view of an organization, individual growth is a means to organizational effectiveness.

Importance of Training

- It established a sound relationship between the work force and his/her job.
- It upgrades skills and prevent above since
- To keep place with changing technology
- It develop health, constructive attitude
- It properly employees for future assignments
- It increase productivity
- It minimize operational errors
- It enhances employees confidence and morale
- It brings down employee turnover and absenteeism

Moreover, training can improve the relation between the employees and their immediate supervisor. It who helps in under sanding and implementing organizational policies (Ivancevich 2000,).

Rao (1985) defines human resource developmental as “a process in which the employees of an organization are continuously helped in a planned way to acquire or sharpen capabilities required to perform values taken functions associated with their percent and future expected roles; develop their general enabling capabilities or individuals. So that they are able to discover and exploit their own inner potential for their own and or organizational development purpose and develop an organizational culture when superior subordinate relationship team work and collaboration among different sub-unite are strong and contribute to the organizational health, Byronism and pride or employees”.

Figure 2.1 Summarizes the Difference Between Training and Development.

	Training	Development
Focus	Current job	Current & future job
Scope	Individual employees	Work group or organization
Time frame	Immediate	Long term
Goal	Fix current skill deficit	Prepare for future work done

2.3.1 Employee Compensation

Compensation is the HRM function that deals with every type of reward individual receive in exchange for performing organizational task. It is the chief reason why most individual seek employment. The objective of compensation function is to create system of rewards that is equitable to the employer and employee alike. The desired outcome is an employee who is attracted to the work and motivated to do a good job for the employer. (Ivancevich, page 307-309 1998, 2nd edition)

According to Lloyd L. Byary and Leslie W.Rue compensation refers to all the extended rewards employees receive in exchange for their work composed of the base wage or salary, any incentives or bonuses, and any benefit

Employees are the backbone of any organization. The attainment of organizational objectives largely depends when employees are motivated to work. Among other things, employees are motivated to work when they are provided fair financial and non- financial compensation for work rendered to the organization (Gomez- Meja, Balkin and cardy 1995,).

In general, there are two types of compensation. There are

- i) Financial /direct and Indirect/
- ii) Non-financial

1) Financial compensation

Direct compensation: - salary, wages, incentives, and stock options.

Indirect compensation: - paid time away from work, insurance and health promotion, employee services and retirement income,

2) Non- financial compensation: - includes any satisfaction, which employees receive from the job, such as the need for reorganization, responsibility and personal growth.

The objective of compensation administration is to establish fair and equitable rewards to the employees. So that they are motivated to do the job in a better way for the organization. There are other objectives of corporation can be categorized as:-

- Acquiring qualified personnel
- Retain current employees
- Ensure equity
- Required desired behavior
- Comply with legal regulations

Importance of Compensation

To Employees:

- It is the primary source of income for employees and the family
- It is a fair for the work employed performs and the benefit they provide for the employees.
- It determines employees social status
- To attract can able employees to the organization
- To motivate them towards superior performance level
- To retain their service for an extended period of time (John M. Ivanchuich, 2000,).

2.3.3. Human Resource Planning (HRP)

Human resource planning is the procedure by which an organization ensures that it has the right number and kind of people, at the right place, at the right time, capable of effectively and efficiently completing those tasks that will help the organization to achieve its overall objectives. (Class Handout)

Human resource planning involves forecasting the organizational future demand for employees, forecasting the future supply of employees within the organization and devising programs to correct the discrepancy between the two, HRP includes the estimation of how many qualified person are necessary to carry out the assigned activities, how many people available, and what, if anything,

must be done to ensure that personnel supply equals personnel demand at the appropriate time in the future. (Class Handout)

HRP is both a process and asset of plans. It is how organization assesses the future supply of and demand for HR, in addition an effective HR plan also provide mechanism to eliminate any gaps that may exist between supply and demand. Thus HR determines the number and type of employee to be recruited in to the organization or paved out of it (Ivancevich p.145, 2nd edition 1998)

HRP is the process of getting the right number of qualified people in to the right job at the right time “put another way, HRP is the system of matching the supply of people internally and externally with the opening the organization expect to have over a given time frame. (Lloyd. L. Byars and Leslie W.Rue p.116, 1997 fifth edition)

How HRP Related to Organizational Planning

HRP involves applying the basic planning process to the HR needs of the organization. To be effective, any human resource plan must be derived from the long term and operational plans of the organization. In essence, the success of HRP depends largely on how closely the human resource department can integrate effective people planning with the organization business planning process. Unfortunately, HRP is often inadequately tied to overall corporate planning (Lloyd.L.Byaru and revile w.Rue p: 116, 1997).

Reasons for Human Resource Planning

According to ivancevich all organization performs human resource planning, either formally or informally. The formal employment planning techniques are described in this research because informal methods are typically unsatisfactory for organizations requiring skilled human resource in a fast-changing labor marked.

The reasons for formal employment planning are to achieve.

- More effective and efficient use of people at work**
- More satisfied and better developed employees**
- More affective equal employment opportunity planning**

Before going outside to recruit, many organizations ask present employees to encourage friends or relatives to apply some organizations even offer “finder’s Fees” in the form of monetary incentive for a successful referral when used wisely, referral of this kind can be a powerful recruiting technique. Organization must be careful, however, not to accidentally violate equal employment laws while they are using employee referrals (Ivancevich, page 210-211, 7th ed).

2.3.4 Job Analysis and Design

Organizations have evolved because the overall missing is objectives of most institutions are too large for any single person to accomplish. The corner stone of the organization is the set of job performed by employees. The set of jobs is what provided the input

2.3.3 Job Analysis and Design

Organizations have evolved because the overall missing is objectives of most institutions are too large for any single person to accomplish. The corner stone of the organization is the set of job performed by employees. The set of jobs is what provided the input needed to accomplish the mission and objectives.

I. Job Analysis

The process of defining a job in terms of the tasks or order and specifying the education, training and responsibility needed to perform the job successfully. In other words, analysis is a systematic way to gather and analyze information content and human requirement of the job, and the content in which jobs are performed. Job analysis can be described as the function of human resource management because it is the basis of HR.

programmed activities. There are two outputs pervade a systematic job analysis.

Job Description

- Identification of the task, duties, and responsibilities of a job
- It identifies what is done, where it is done how it is done
- It is indicator of what the job accomplishes what performance is considered satisfactory in each area of the job description.

Job Specification

It addresses the question “what personal traits and expenses are needed to perform the job effectively?” job description are a documents that describe the functions and working conditions of job specifications are the human characteristics necessary to surely perform the job. Job specifications are typically subsection of job description (Inancevich and Glueck,)

II. Job Design

The information provided by job analysis, job description job specifications can be very useful in designing jobs; that are structuring job elements, duties and tests in a manner to address optimal performance and satisfaction. Job design was central view of scientific management by (F.w Taylor).

Perhaps the most prominent single element in modern scientific management is the task idea. The work of every workman is fully planned out by the management at least one day in advance, and each man receives in most the complete written instruction describing in detail the task such he is to accomplish. This talks specific not only what is to be done but how it is to be done and the exact time allowed for doing it.

CHAPTER THREE

3. RESEARCH METHODOLOGY

3.1 RESEARCH DESIGN

The research is designed to answer the research question posed and attain the general and specific objective of the research. The descriptive data analysis and simple random sampling technique was used to attempt of the bank in human resource management practice and problem.

3.2 METHOD OF DATA COLLECTION

The primary data would be collected by personal interview that conducted to head, personnel division and also in the form of structured questionnaires that are distributed to the selected staff members and management group. The secondary data would be collected from several of academic materials and unpublished document and other necessary document such as e-book.

3.3 SAMPLING METHOD

In order to obtain the required information for the success of the study, sample survey of probability sampling would be used.

The sampling technique would be simple random sample technique. This is the most commonly used method of selecting a probability sample and each element in the population is gain an equal and independent chance of selection.

The total population of employee are 80 from this target population the researcher took are 42 which means 52.5% of the total population.

3.4 METHOD OF DATA ANALYSIS AND PRESENTATION

Primary and secondary data from bank are collected, analyzed and interpreted using some statistical technique such as tabulation and percentage.

CHAPTER FOUR

DATA PRESENTATION AND ANALYSIS

This chapter deals with the analysis and interpretation of data collection on the HRM practice of the organization. The information obtained from the sample population involved in the survey study is the frame work of the treatment of HRM practice in CBE. The findings are made based on the answers in the questionnaires filled by the employee and also the interviews with the general managers.

4.1 GENERAL CHARACTERISTICS OF THE POPULATION

The questionnaires were distributed to randomly selected employees in the bank. A total of 80 employees from those employee the researcher distributed 42 copies of questionnaires were distributed to the employees of the company. All of the questionnaires which are 42(100%) were filled and returned. Data have seen collected from employee on the following areas.

Table 4.1 Sex, Age, Years of Service, Educational Level and martial statues

No	Items	Respondents	
		No	%
1	Sex		
	i) Male	28	66.6%
	ii) Female	14	33.4%
	Total	42	100%
2	Age		
	i) 18-24	15	35.74%
	ii) 25-34	18	42.85%
	iii) 35-44	5	11.9%
	iv) 45-54	4	9.52%
	v) 55-64	2	4.76%
	vi) 65 and above	-	-
	Total	42	100%
3	Years of service		
	i) 1-2	18	42.85%
	ii) 3-5	20	47.61%
	iii) 6 and above	4	9.52%
	Total	42	100%

4	Educational level		
	i) College diploma	16	38.09%
	ii) First degree	24	57.14%
	iii) Second degree	2	4.76%
	iv) Third degree	-	-
	Total	42	100%
5	Marital status		
	i) Married	26	61.9%
	ii) Unmarried	16	38.1%
	Total	42	100%

As shown in table 4.1 employee sample population comprise of 66.6% male and 33.4% Female, out of These 35.74% of them are within the age of 18-24, 30.95% are between 25-34, 19.047% of them are 35-44, and 9.52% of them are between 45-54, 4.76% of them are between 55-64. With record to the respondents year of service% 42.85 of them fall between 1-2 years, 47.619% of them are between 3-9 and 9.525% of them are 6 and above years.

Concerning to the educational level of employee respondents, 38.095% are college diploma, 57.14% of them are First degree holders 4.762% of them are second degree holders. The marital status indicate that 61.9% of the respondents are married and 38.1% is unmarried employee.

This information which indicates that the majority of the workers are male and fall between 18-24 years when we see the educational level of employee the majority of the respondents are qualified first degree. Hence, the large portion of these respondents have a lot of information about HRM practice that undertaken in their organization and answer obtained from them are most likely to be reliable. In General the above information show that most of employee are married, which indicate that there is stable work condition and the probability of employee turnover is less. And the highest number indicate that the employee are young which is (42.85%) of the employee, this show that the employee is highly productive.

4.2 ANALYSIS AND INTERPRETATION

4.2.1 Employees Attitude on Orientation and Placement

4.2 Orientation Program Table

	Have you gained formal orientation when you joined the bank for the first time?	Respondents	
		No	%
i)	Yes	30	71.42%
ii)	No	12	28.58%
Total		42	100

Table 4.2 deals with the responses concerning whether or not employee respondents given any orientation program. Responding this 71.42% of respondents given a positive reply and 28.58% of the respondent replied “no”. From this finding it is clear that the highest percent of the respondents take orientation, this implies orientation has major contribution or how fast the organization achieve its objectives and to be competent within the environment. The respondents were also asked about the placement.

Table 4.3.1 Selection of Employees (placement)

Do you believe that the bank select the right person for the right job?	Respondents	
	No	%
i) Yes	24	57.14%
ii) No	18	42.86%
Total	42	100%

As shown above 57.14% of CBE (commercial bank of Ethiopia) respondents said it is appropriate with their profession and ability while %42.86 of the respondents said “no”.

Table 4.4 Training program

Have you ever got any training since you have joined the bank?	Respondents	
	No	%
i) Yes, several times	12	28.57%
ii) Just a few once	16	38.09%
iii) Just a few additional one needed	4	9.52%
iv) not at all	10	23.80%
Total	42	100%

When we analyzed table 4.4 we can say 76.26% of respondents has a chance to participate in the training program, where as 23.80% of them has no chance to participating in training programs. Therefore it can beside majority of the respondents have never participated in training opportunity.

Table 4.5 Job Analysis and Design

In your opinion do you believe that your job is properly and adequately analyzed?	Respondents	
	No	%
i) Yes	30	71.4%
ii) No	12	28.6%
Total	42	100%

The above

Table 4.5 indicate a significant proportion (71.4%) of respondents believe that their job is properly analyzed and designed.

Table 4.6 Performance Evaluation

Is Performance evaluation practiced to all employees all the time?	Respondents	
	No	%
i) Yes	18	42.85%
ii) No	24	57.15%
Total	42	100%
How is appropriate the rate of your performance evaluation with your discharge of responsibility.		
I) High	8	19.04%
II) Medium	20	47.61%
III) Low	14	33.35%
Total	42	100%
Have you ever get any chance to see your performance evaluation report		
I) Yes	30	71.42%
II) No	12	28.58%
Total	42	100%

As shown item number one of table 4.6, almost all of the respondents about 42.85% replied that there is a performance evaluation practice in their organization all the time. While few respondents 57.15% said that there is not performance evaluation being practice to all employees.

Item number 2 indicates that respondents who knew the existence of performance evaluation practice were asked the evaluation rates given to them as compared with their work and responsibility. 19.04% of the respondents said the evaluation result were appropriate while 47.61% and 33.35% of the respondent replied that the rate were acceptable, and were not appropriate respectively. From this it is clearly seen that the evaluation practice has some problems.

Item number 3 also indicate that respondents who know the existence of performance evaluation got any chance so see their performance evaluation report or not. 71.42% of them answered that they have got the chance to see while 28.58% of them are not. This information indicates that almost

employees get their evaluation resulted which is good for them to improve their weakness and strong doings in the organization.

Table 4. 7 Compensation and Benefits

How much are you satisfied with the salary you earn when compared with the job are engage in?	Respondents	
	No	%
i) Yes, quit adequate	10	23.80%
ii) Need some interment	18	42.85%
iii) Not appreciate at all	12	28.57%
iv) Other	2	4.78%
Total	42	100%

As shown in table 4.7, in comparison to the job they are engage in most of respondents around 23.80% are replied the salary needs some increment. While 42.85% of them are said the payment is not appropriate at all and 28.75% of respondents replied the payment is quit adequate. This information therefore, indicates that most of the employees of Bank are not satisfied with what they are engage in.

4.4 INTERVIEW ANALYSIS

Interview was held with general manager of the organization, and also two question prepare for him.

The following section presented information obtained through interview. The interview was conducted with the general manager.

According to the responded of general manager, towards human resource planning, he has stated that the bank has HRP based on forecasting future needs for employees of various types, comparing these needs with the present work force and determine the numbers and types of employees.

He also mentioned about human resource development program. He describes that orientation programs are given to new entrant about the rules and regulations of the bank, compensation and other related activities of the organization.

Towards the performance evaluation of employees he describes that the bank uses the result of performance appraisal to promotion, transfer and salary increment. Concerning HRM problems, he said, the bank does not have enough training program, problems related with current salary scale, and absence of common understanding between manager and employees.

Concerning disciplinary action, he has stated, if the staff member where conduct is contrary to the established rule and regulations of the bank, he/her will be penalized based on the disciplinary action policy.

Based on the interest to conduct human resource research, the bank wants to conduct a research in salary & benefit, promotion, career development such as training.

CHAPTER FIVE

CONCLUSION AND RECOMMENDATION

The primary purpose of this study has been to explore some problems that hinder effective human resource management practice in commercial banks of Ethiopia. Based on the basic question raised in the chapter one of the paper, the following conclusions and recommendations are given.

5.1 CONCLUSION

The following conclusions are made based on the analysis and findings of the study.

1. The majority of the workers are males about 66.6% and fall between the ages of 25-34 (42.85%) years. 7.14% of the employees have first degree educational qualification and 4.76% of the second degree. In other words, most of the respondents 95.23% of them are college diploma and first degree.
2. The ultimate goal of establishing a training program is to improve the ability and performance necessary to undertake the job effectively. By keeping this assumption in mind, it is believed that training could develop the workers' skill and facilitate the introduction of new methods and increase efficiency by reducing work load.
3. It was relevant that performance evaluation is good to all employees and the largest portion of the respondents who were evaluated their performance stated that evaluation result was medium as compared with their work and responsibility.
4. It was the opinion of the majority of employees that the salary scale of the bank needs some increment as compared with the job they engage in

5.2 RECOMMENDATION

1. Since the success and failure of the bank is largely dependent on the qualities of its employees, the need for a well-organized employee training program was not made effectively to all employees and not

that much effective in improving the ability and performance system of evolution should be designed to see the individual improvement and work on limitation of the training program.

2. To maintain qualified and experienced workers, organizations should attractive salary scale and compensation and benefit program. But in CBE employees are seen leaving and complaining about their salary scale and disagreement with management. Therefore, to capture and clear qualified workers, it is inevitable to improve the salary scale and the awareness of employees about good relationship between management groups and employees of the bank.
3. The human resource planning activity should be better in assessing vacancy that can be filled through promotion and transfer but there is no consideration of promotion and transfer practice in planning the required man power and this underestimates the promotion and transfer of human resource management practice within the bank. To have proper staffed employees CBE's man power planning activity should first look for the required employees from promotion and transfer sources.
4. In general, to be successful in such highly globalized and competitive environment, human resource management should be considered as the most important thing. Consequently, the greatest effort must be exerted for the improvement of its practice.

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**APPENDIXE
JIMMA UNIVERSITY**

COLLEGE OF BUSINESS AND ECONOMICS

DEPARTMENT OF MANAGEMENT

Questionnaire for staff members

Greeting to all whom this questionnaire would appear! I would like to express my heart full appreciation in advance for the cooperation you show in completing the questionnaire sparing from your precious time.

of commercials bank of Ethiopia Jimma main branch) Topics:- assessment of human resource management practice and problems(the case study.

General institution:- You are kindly requested to make mark in the boxes provides and write your response on the spare given you may take more than one alternative where necessary you can use extra paper if the space provide is not enough your honest and frank answer are appreciated.

Parte one

General information

1. Age category: A. 18-24 B. 25-34 C. 35-44
D. 45-54 E. 55-64 F. 65 & above
2. sex: A. Male B. Female
3. Marital status A. Married B. Unmarried
4. Years of service in the bank A. 1-2 B. 3-5
C. and above
5. Level of education A. College Diploma B. First Degree
C. Second Degree D. Third Degree
6. Do you enjoy your job? A. Yes very much B. Not happy at all
C. In different

D. Other comment _____

7. How much satisfied are you with the salary you earn when compared with the job you are engage in?

A. Yes, quit adequate

B. Need some increment

C. Not appreciate at all

D. other _____

8. Do you have a job description in your organization? Why?

A. Yes

B. No

Why _____

9. Do you believe that the bank select the right person for the right job?

A. Yes

B. No

10. Have you guinea formal orientation when you joined the bank for the first time? A. Yes B. No

11. Have you ever got any training since you have joined the bank?

A. Yes, several times

B. Just a few, once

C. Just few additional once needed

D. Not at all

12. Do you believe that the banks performance appraisal system is fair?

A. Yes

B. No

13. If not fair, why not? _____

14. Is performance evaluation practiced to all employees all the time?

A. Yes

B. No

15. Have you ever got any chance to see your performance evaluation report? A. Yes B. No

16. How is appropriate the rate of the performance evaluation with your discharge of responsibility?

A. High B. Medium C. Low

17. Which is the following reason for the leasing of workers form the bank?

A. Problems related with salary scale

B. Disagreement with the management

C. Improper handling and care for the staff

D. Other _____

18. Do you believe that human resource policies are well communicated to you? A. yes very much B. No

C. Other _____

19. On which area of human resource do you believe the bank need to conduct research?

A. human resource planning

B. human resource development

C. employee internal relation

D. causes for the leasing of employees

E. There is no need at all

F. Other _____

APPEDEXE B

Interview question for the manager

- 1 Would you tell me is there any human resource development program in the organization?
- 2 Would please describe about human resource planning?